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## WATCH OUT FOR SCAMS!

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### How to spot a scam:

Scams are schemes to con you out of your money. They can arrive by post, phone call, text message or email or a scammer may turn up at your home.

It could be a scam if:

- the call, letter, email or text has come out of the blue
- you've never heard of the lottery or competition they are talking about and didn't buy a ticket
- you are asked to send money in advance
- you are told you have to respond quickly so I don't get time to think about it or talk to family and friends before you decide
- you are told to keep it a secret.

A scammer may:

- contact you out of the blue
- make promises that sound too good to be true - if something sounds too good to be true it probably is
- ask you to pay for something up-front - for example, they'll ask you to pay a fee before you can claim a prize
- ask you to make a quick decision by saying things like 'if you don't act now you'll miss out'. This puts you under pressure and doesn't give you time to think
- be over-familiar and over-friendly with you
- tell you an offer has to be kept secret
- ask for your bank account details. Never give your bank details to people you don't know, especially people you meet online
- give a mobile number or PO Box number as the contact for their company- these are easy to close and difficult to trace. It may be a sign that the company doesn't exist or isn't legitimate. Check out the company's details with Companies House or look on the internet for more details about them.

If you think something might be a scam, don't reply - then throw it away, delete it or hang up and get further advice.

**Source: UK Blog**

## **Scam Examples:**

### **Pyramid selling and chain gift schemes :**

You go to a presentation and are told that after paying a joining fee, you can earn lots of money recruiting others to the scheme. This is pyramid selling which is illegal. You are unlikely to make any money.

You may be offered an expensive gift if you buy a low value gift. To get your expensive gift you have to recruit new members to the scheme. You are unlikely to get the gift.

### **Working from home:**

You see an advertisement offering work which you can do at home, for example, stuffing envelopes or putting together home assembly kits. You're asked to pay a fee upfront and then find there's no work on offer, you only get paid if you get others to sign up, or you do the work and don't get paid for it. For example, you assemble a kit and are told the work isn't up to standard and you won't be paid.

A genuine home-working scheme won't ask you to pay money upfront and will explain in writing what you are expected to do, how much you will earn, and when you will be paid. You should also be paid at least the national minimum wage.

### **Online Dating Scams:**

Fraudsters feigned interest in lonely online romance seekers to rob victims of about \$50 million last year.

### **Debt Collector:**

Phony debt collection agencies have pressured victims into giving up millions of dollars. The Federal Trade Commission recently closed down two California-based companies with call centers in India after they defrauded Americans out of \$5 million over the past two years.

### **Online Marketing:**

Craigslist and eBay are a playground for scammers. Consumers have sent payments to places like Nigeria for items advertised online only to discover they have been scammed. Last year, Romanians pretending to be U.S. citizens put fake ads for pricey items on eBay and Craigslist, defrauding Americans out of more than \$100 million.

### **Prize Money:**

Canadian police arrested a man who tried to take a \$70,000 processing fee from an elderly Californian woman who believed she was going to win a \$7.5 million lottery prize in April. More recently, eight Jamaican swindlers accused of duping Americans in lottery scams were also arrested.

### **Charity Scams:**

Fake charity organizations come out of the woodwork to exploit the generosity of others, especially during times of disaster. Most recently, an organization that claims to help disabled veterans called Disabled Veterans National Foundation (DVNF) took millions of dollars from donors without spending the money on veterans.

**Mortgage Foreclosure:**

Scammers targeting struggling homeowners have offered false services to help with mortgage settlements. Mortgage foreclosure scams have shot up 60 percent in 2012 as new federal programs for mortgages have provided avenues for fraudsters to exploit.

**Traveling Relative:**

Scam complaints related to travelling surged right before spring break last year. Crooks defrauded grandparents out of money when their grandchildren were travelling abroad. The scammers, who find out about the travel plans from places like social media sites, pretend to be the grandchild asking for wire transfers on the phone. The scams have involved scammers pretending in an email to be a victim's travelling relative who has recently been mugged or has lost their passport.

**Food:**

Although there isn't much data on how often it occurs, food scams can pose a tremendous health risk. The chances of dilution and counterfeiting increase when food is imported from other countries, and some foods like fish and olive oil are particularly prone to adulteration.

**Online Prescription Drugs:**

Scammers have sold drugs to online consumers and then posed as government agents asking the buyers to pay money to avoid jail time. A Texas woman killed herself after being caught up in one of these drug schemes.

**Credit Card:**

Credit card breaches allow fraudsters to make charges on other peoples' cards after getting a hold of numbers. Global Payments Inc., a third party payment processing service for MasterCard and Visa, made headlines in April for reporting that over a million card numbers had been compromised from their system, according to CNET.

**Source: HuffPost Blog**

**Panhandling:**

Most of us have heard the story of the dingily dressed guy/gal who panhandles on the street and at the end of the day hops into a brand new BMW and drives to their high-rise apartment, laughing at the masses who foolishly gave money thinking they were homeless. Some may even claim to know of a person who does this or at least suspect someone of being the secretly rich homeless person. Of course questions come about like, "How can they make that much from people giving spare change?" or "How can you tell if they truly are homeless and in need of help?" In reality, it can be very difficult to distinguish who is truly trying to survive on the street and who is there trying to live off the backs of others.

There isn't any surefire way to tell if someone asking you for money is presenting themselves in a truthful way, but there are a few tips to help distinguish if a panhandling scammer is trying to get money from you.

**A Panhandling scammer will usually ask you for a specific amount of money:**

For instance, this gem is a personal account of encountering a panhandler scammer. My friends and I

had come out of an eating establishment with our take-out order. We all had gotten into the car when this guy came walking up behind me and stopped for a moment next to my closed door, then walked in front of the car and proceeded to try and get my male friend's attention on the driver's side. At first we all thought he was waiting for someone else, but then he started staring at us. After some confusion my friend rolled down his window to ask if there was something wrong.

Right away, this man went into a story about how his truck broke down in the parking lot. He, his wife, and three daughters were stranded and needed to get to the Amtrak station to catch an 8:40 PM train if they wanted to get back home. Oh, and he was already being assisted by a policeman who called a tow truck for him and agreed to drive him and his family to the train station... but he had lost his wallet and needed \$16.00 to get them all train tickets. Needless to say, we did not help him.

I know most people reading this will become emotional and call this a heartless decision, but hear me out. On paper, this does sound like some guy down on his luck until the quick-thinking process is explained. There are signs of a scam here, and I will outline them for you:

1. The guy sees three people walking to a car, two look like guys. Automatically, he assumed the guys have the money. I have a short haircut and was wearing a hat. Once he stopped at my door and took a look, he realized I was not a guy. He proceeded over to my friend's side of the car and stopped, and then he moved his arm like he was about to wave but instead put it down and began to look confused or lost. Out of concern, my friend asked if something was wrong.

Scammers' reasoning: Let's face it - if someone offers their assistance they are less likely to turn away since they are the ones who asked if anything was wrong to begin with. Plus a guy is more likely to come forward and ask a stranger a question than a woman.

Scam Notice: Scammer puts them self in your line of sight. They are not in a crowd, they are not standing or sitting to the side; they stop in front of you, to the side of you, make a gesture to get your attention then act confused or distressed. Before the gesture no sign of distress they want to make sure you see them before they start their act.

2. The guy did not hesitate in his story once he was asked if something was wrong. He went right into his spill like a salesman. He said his story fast, said it without stumbling over his words, said it like a speech - as if it was rehearsed. You would think someone who was in such a situation - broken down truck, his wallet lost, a wife and three daughters to protect, and needing money for a train that was leaving soon - would show some sign of distress but he had none.

Scammers' reasoning: Gotta have a good, quick story that gets an emotional reaction. Catch their victim(s) off guard so the victims don't stop and really think about the details of the story.

Scam Notice: It was like he had been in this situation many times before, so he either has a crappy truck or he practiced his lines so much he had a rhythm.

Scam Sign: If the story sounds like it has rhythm, or if the person is telling a drawn out story in a quick fashion chances are they aren't telling the truth, giving a lot of details in a short time span leaves the listener swimming through the words and they only catch the emotional parts of the story.

3. The guy claims his wallet was lost.

Scammers' reason: Of course this is the reason he is in distress. He has no money and his family will be left stranded if you, his target, doesn't help.

Scam Notice: But this leads to an observation question: He has his wife with him - does she not have a purse? Maybe with money in it or a debit card to get money from a bank (which happens to be one of the businesses surrounding the parking lot)?

Scam sign: The man looked to be about in his early 30's. He was not old and there was no reason to believe he would be so old-fashioned that he would be the only money holder in the family. Lost wallet to explain not having money - hard to believe when the wife is supposedly with him.

4. The guy claimed that he was already being assisted by a police officer and that a tow truck has been called.

Scammers' reasoning: By saying he was already being helped by a cop and a tow truck was on the way, he was trying to avoid the "Well, let us call you a tow truck or a cop to help you out", or the situation where the Good Samaritan would call the cops to help this distraught man whose families lives hang on the balance of him getting \$16.00 so they all can ride the rails home.

Scam sign: No cop cars in the parking lot. Call me crazy, but a car that says "POLICE" on the side does have a tendency to be noticed, even in a crowded parking lot. His truck was supposedly in the parking lot, which means the cop would be waiting by his truck - yet, no cop.

Scam Notice: Scammer is quick to rule out any other sort of help other than money. Nope, don't need police assistance, got that! Nope, doesn't need a tow truck have that! Just need money.

### **Quick Observations**

1. What about a cell phone? The man doesn't have a cell phone nor does his wife? They can't call a relative or friend to help them out? Or ask the many businesses surrounding the parking lot his broken down truck is in to use their phone to call someone for help? Why attempt to get money from a complete stranger when you can call someone YOU KNOW will help you?

2. In the state where I live, if the cops call a tow truck for you because your vehicle is broken down, the tow truck driver expects a form of payment right there, be it cash or credit card. Sure, the cop could impound it, but the cops don't impound a vehicle for it being broken down. They impound it because it's not supposed to be parked somewhere, it's been abandoned or you aren't supposed to be driving it. Remember he claimed his wallet was lost - so how was he going to pay the tow truck driver to tow his truck to the nearest mechanic?

This is not the only example of a panhandling scam, but I must admit on the surface it is a well thought out one until it is broken down. Once it's broken down, the holes in the scammer's story are apparent. The downfall to this is that the scammer expects their target to react out of emotion and the target without question offers the scammer the money they so desperately need.

There are two tips I can think of that may help you avoid getting stung:

**Source: Internet Blog on Panhandling Scammers**

**What to Do?**

1. Don't give any money.
2. Don't open your wallet / purse in front of them . . . you may be setting yourself up to be a crime victim.
3. Advise them you will call law enforcement to provide them with assistance.
4. If you happen to have a list of social agencies with you that can provide help, direct them to the agency.
5. DON'T ENABLE BAD BEHAVIOR!